



School Business Alert

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OF EDUCATION**

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CAR Submissions and Title I Budgets

At times, we come across situations that cause us to scratch our collective heads and this is one of those, so please be patient while we walk you through this. We've identified 40 or so situations based on FY15 Certified Annual Report (CAR) submissions where the basic Title I, Part A expenditures on the CAR don't match what was submitted to the program side as a Title I budget. On the program side, when a Title I general budget is submitted and approved, it is assumed (required actually) that the district will spend the federal Title I, Part A funding as that budget dictates. In fact, in that process, if the plan changes, the budget must be amended because differences in uses of funds for one district can cause a redistribution of funds to all districts in certain situations.

In most of these cases, when the CAR for FY15 was submitted, it showed some unexpended funds in Title I, Part A. When we compared CARs to approved budgets in the Title I application, the numbers didn't reconcile. This is a problem for the Department either way we go, because on our side, we assumed the funds would be spent per the Title I general budget that was submitted and approved. The unexpended funds should not exist – either the district should have amended the Title I general budget down or should have actually spent the money as approved.

The Department generally does not amend the CAR once submitted. So in this context, the Department has a couple of choices – these districts can either send money back or can amend the prior year Title I budgets down, which creates carry-forward for FY16 and would require the district to complete a Title I carryover budget. To complicate this further, we are hearing from some districts that they have “carry-forward issues” that have existed for years prior to FY15 on the district's books. This is simply not possible. GAAP accounting and the Department follow the First In First Out (FIFO) rule. Because Title I only allows you to carry-forward for one year, there is no such thing as a carry-forward two or more years old – there is nothing that can be done about anything in this context prior to FY15. Any funds received by the district that remain unused in the given year requires district action by amending the Title I general budget.

Some of these balance irregularities are large. There are a couple districts with more than 100 percent carry-forward of Title I comparing CAR balances to Title I general budgets. So, we are going to work on this directly with districts in a couple different ways. For districts that have excess funds on the CAR and can amend

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FY15 Title I budgets and create FY16 Title I carryover, we will do that. Title I, however, limits the amount of carryover you have and how often you can ask for an excess carryover waiver; so, if the problem is within those limits, we will work with you to figure it out.

In the rare cases that districts are sitting on more money than they can actually have, we will use both scenarios. We will create a carryover budget that allows spending of some of the funds and these districts will also return some of the funds they have sitting in accounts. Moving forward, it is prudent for everyone to make a note in your systems while working on CAR submissions to check to see that expenditures for Title I match the expenditures you are submitting in the CAR.

Districts need to be cognizant of the coding used on the various Title budgets (i.e., general, carryover, SINA, delinquent, negligent, etc.) for both revenue and expenditures. Each funding stream has its own CFDA number and corresponding project number. Program numbers are also used to delineate the various pieces. Verify the district's coding with the chart of accounts. The Title I budget, CAR revenues, and CAR expenditures should all tie together. If you have further questions on this issue, please contact [Jeff Berger](#), 515.281.3968. The primary contacts for resolving this issue are [Geri McMahon](#), 515.281.3944, on the Title I side; or [Denise Ragias](#), 515.281.4741, on the CAR side.

Whole Grade Sharing Supplementary Weighting

For whole grade sharing to qualify for supplementary weighting, each of the districts' boards involved in the sharing must, by October 1, have passed a resolution to study reorganization with each other. The requirements for the resolution to qualify the districts for supplementary weighting are as follows:

1. The resolution must be a separate action noted in the school board meeting minutes of each board. It may also be included in the whole grade sharing agreement, but passing the whole grade sharing agreement, alone, will not qualify a district for the supplementary weighting
2. The resolution must include these three phrases:
 - a. the board adopts this resolution jointly with the _____ Community School District
 - b. to study the question of undergoing a reorganization (or dissolution, if applicable)
 - c. to occur on or before July 1, 2019 [an earlier date is acceptable]

This specific language is designed to inform the public of exactly what is being explored by the districts; variances from the above language will likely disqualify the districts' eligibility for supplementary weighting.

Passing the resolution qualifies the districts for the first year of whole grade sharing supplementary weighting. To qualify for the second and third years of supplementary weighting, each district will need to complete the Reorganization Progress Report found on the [Iowa Education Portal](#) by August 1.

Without the required resolution, whole grade sharing is not eligible for supplementary weighting.

Please refer questions to [Carla Schimelfenig](#), 515.242.5612.

2015-2016 Beginning Mentoring and Induction Funds—Proration

The Department will be forced to prorate payments for the Beginning Teacher Mentoring and Induction Program for 2015-2016. Total expenditures for FY15 were \$4,958,200. The available funding for FY16 is \$4,021,875. The Department will prorate the 1st semester payment based on the ratio of these two numbers (81.1 percent). The final payment that is issued 2nd semester will look at the total claim for the district for the year. It will then recalculate the actual proration amount for FY16 based on claims, will determine what the district should have been paid for the total year minus the proration, and then will subtract off any funding received 1st semester. Because we are prorating both semesters, no adjustments for any BEDS data error will be made on the 1st semester payment. Any adjustment to those numbers will be corrected in the 2nd semester payment. For further questions, contact [Jeff Berger](#), 515.281.3968.

Special Education Billing – “Days” Only

The Tuition In Billing (TIB) program will be available for districts to complete their first semester billings on December 7. You will be required to enter student information by the number of “**DAYS**” the student was enrolled for FY16. This is a change from last year, when you were required to enter this information by days or hours depending on your district’s designation. Contact [Bill Roederer](#), 515.281.7972.

Special Education Estimated Billing – TIB

The Department will continue to use the predetermined daily rate feature that was implemented last year in the TIB program, which allows an additional option in determining the amount billed for first semester. A CAR upload is not required if this option is selected. The goal is to simplify the process and assure that every district is sending/receiving first semester bills. This additional option includes a basic daily rate for special education costs and general purpose percentages. Refer to the examples below:

Basic Daily Rate For a Level I Student:

Special Education Cost:

DCPP X Special Ed Weighting / 180 X 1st Semester Billing Days = Special Ed Expenditures
 $[(\$6,121 \times .72) / 180] \times 90 \text{ days} = \$2,203.20$

General Purpose Percentage:

DCPP X Level I GPP Per Pupil % (each district is different) / 180 X 1st Semester Billing Days = GPP
 $[(\$6,121 \times .82) / 180] \times 90 \text{ days} = \$2,509.20$

Basic Daily Rate For a Level II Student:

Special Education Costs:

DCPP X Special Ed Weighting / 180 X 1st Semester Billing Days = Special Ed Expenditures
 $[(\$6,121 \times 1.21) / 180] \times 90 \text{ days} = \$3,703.50$

General Purpose Percentage:

DCPP X Level II GPP Per Pupil % (all districts are the same) / 180 X 1st Semester Billing Days = GPP
 $[(\$6,121 \times .32) / 180] \times 90 \text{ days} = \979.20

Basic Daily Rate For a Level III Student:

Special Education Costs:

DCPP X Special Ed Weighting / 180 X 1st Semester Billing Days = Special Ed Expenditures
 $[(\$6,121 \times 2.74) / 180] \times 90 \text{ days} = \$8,386.20$

General Purpose Percentage:

DCPP X Level III GPP Per Pupil % (all districts are the same) / 180 X 1st Semester Billing Days = GPP
 $[(\$6,121 \times .27) / 180] \times 90 \text{ days} = \826.20

“First semester billing days” means the number of days the student was enrolled and served pursuant to the student’s Individualized Education Program (IEP). The examples above assume the student was present for the full semester or 90 days. However, some students will be enrolled and served less than a full semester. In those cases, the district would enter the actual days enrolled and served rather than 90 (i.e., $(\$6,121 \times 1.21) / 180 \times 25 \text{ days} = \$1,028.50$). If a student was Level II for part of the semester and then became Level III, the student would be shown once as Level II for the number of days served pursuant to the IEP at Level II, and again shown once as Level III for the number of days served pursuant to the IEP at Level III.

Upon entering the program, make a selection as to which option to use. The first option, “Per Day Estimated Rate,” is the option described above. The second option, “Per Day Actual Costs from Screen 1” is what districts have used in past years. The Department was able to pull in basic pieces of student information (e.g., student name, student ID, and resident district) from districts’ certified enrollment. Although the program allows this to happen, it is imperative to make sure every student’s information has been transferred successfully. The program still allows districts to add/edit student information, if needed. Additionally, districts must include additional information on the student information screen that did not pull from the certified enrollment (e.g., weighting, days enrolled, and individualized costs). The Department will continue to look at ways that will save valuable time in the process. Contact [Bill Roederer](#), 515.281.7972.

Medicaid**Did Your Local Education Agency (LEA) End the Year with a Special Education Deficit? Are You Currently Billing or Wanting To Learn More About Billable Individualized Education Program (IEP) Services?**

If your LEA is not currently billing for eligible Medicaid services, please reconsider. In the 2014-2015 school year, 263 of Iowa's 338 LEAs received Medicaid payments. Most of those who did not receive Medicaid payments also reported a special education deficit on their SES. For those districts, Medicaid funding would have reduced, dollar-for-dollar, the need for additional property taxes to support the special education program.

The Department will assist your LEA to start, restart, or consider participating by:

- 1) reviewing a sample of IEPs for billable services;
- 2) offering an estimate of likely reimbursement;
- 3) providing staff education; and
- 4) explaining the availability of free billing software.

Provider enrollment or re-enrollment is a simple process.

If LEA staff wish to learn more about reading IEPs, select the names of some of your students who have IEPs, then contact the Department for a meeting. Together, you and Department staff will review the selected IEPs for covered services. This will help you learn to read IEPs, identify billable services, and identify the necessary accompanying documents, such as an Individualized Health Plan or Behavior Intervention Plan.

Medicaid Training

For those unable to attend earlier sessions, an additional Zoom webinar training will be offered later this month. Zoom requires an invitation from the Department to an individual's email address. Please send an email to [Jim Donoghue](#) if you or one of your staff wish to attend the Medicaid training Monday, November 23 from 3:00 to 4:00 p.m.

For additional information, contact [Jim Donoghue](#), 515.281.8505.

Apply to be a Green Ribbon School

The U.S. Department of Education Green Ribbon Schools (ED-GRS) is to inspire public and private schools, school districts, and Institutions of Higher Education to be recognized in three areas: 1) reducing environmental impact and costs; 2) improving the health and wellness of schools, students, and staff; and 3) providing environmental education, which teaches many disciplines, and is especially good at effectively incorporating STEM, civic skills, and green career pathways. Applicants should be high achieving in all three areas, not just one. Each year, all ED-GRS honorees are invited to Washington, D.C. for a ceremony to celebrate their success, share Information, and receive a plaque to commemorate their achievement.

Three applications for the [Green Ribbon Schools](#) program are available through the [IowaGrants.gov website](#):

- Individual School: FY15 Iowa Green Ribbon Schools – School Application
- District: FY15 Iowa Green Ribbon Schools – District Sustainability Award Application
- College/University: FY15 Iowa Green Ribbon Schools – College Application

Applications must be submitted through [IowaGrants.gov](#) to the Department by January 8, 2016. The Department will review applications based on the applicant's demonstrated progress towards the goals of each of the three pillars. Instructions for applying are located on the Department's website: [Green Ribbon Schools](#). Visit the [ED-GRS website](#) to learn more about the ED-GRS program. For assistance, contact [Gary Schwartz](#), 515.281.4743.

Limited English Proficient (LEP) Modified Supplemental Amount (MSA) — Two Distinct Requests

The first MSA request, FY16 LEP instruction to students who are beyond the five years of weighting, continues to be on the School Budget Review Committee (SBRC) application on the [Iowa Education Portal](#). The information prepopulates from the Student Reporting in Iowa (SRI) data collection and Certified Enrollment. The request will be handled as a class action item at the December SBRC hearings. Please send a copy of the school board minutes showing the approved action to [Carla Schimelfenig](#).

The second MSA request, actual excessive costs of offering LEP instruction in FY15, has been available since September. This is the last opportunity for your district to apply for this modified supplemental amount. The request will also be handled as a class action item at the December SBRC hearing. The MSA will apply to FY15, the year in which the expenditures occurred. The application has been populated from the CAR-COA, SRI, and BEDS staffing reports.

If a district had no LEP program or if resources available in FY15 were sufficient to cover the costs of the LEP program, line 19 will show 0.00 as the maximum allowable request. No action is required if a district does not wish to submit a SBRC request for MSA to cover excessive costs of providing a LEP program in FY15.

Some districts have discovered the LEP Allowable Cost application is not displaying excessive costs or inaccurately reporting excessive costs because expenditures were recoded prior to the CAR upload. While a district cannot exceed expenditures above the cost of revenues coded to project 1112 (property tax and state aid financed weighted Limited English Proficient (LEP) and SBRC Modified Supplement Amount for LEP) or project code 4644 (Title III, English Language Acquisition State Grants), the expenditures should not be changed from program codes 410 – 419. Expenditures without a program code of 410 through 419 will not appear in the LEP Allowable Cost application and will diminish your ability to submit an SBRC request for excessive LEP costs.

Maintaining appropriate codes on your financials is only one key to being able to submit an SBRC request for excessive LEP costs. The second key can be found in Fall BEDS Staff. Failure to properly identify teachers with an appropriate ESL assignment code will prevent a district from being able to submit this SBRC request. Since most of the costs of an LEP instructional program are the instructional staff's salaries and benefits, teachers will need to be appropriately assigned to an ESL assignment and hold an appropriate license to teach in a LEP program. In order to generate LEP funds, a district must have a LEP program. In order to have a LEP program, the district must have properly licensed teachers.

Please make sure all data submitted to the Department is accurate. Failure to report correctly in one application can impact reporting in another application.

If you have not yet certified the LEP Allowable Cost application and wish to submit an SBRC request, please certify by November 17 and send an email to [Carla Schimelfenig](#) indicating the date when the school board will be voting to approve the SBRC request for excessive LEP costs.

Appropriate and Inappropriate uses of LEP funds

Iowa Administrative Code 281-98.1.16

98.16(1) Appropriate uses of funding for the limited English proficiency program are those that are direct costs of providing instructional which supplement, but do not supplant, the costs of the regular curriculum. These expenditures include, but are not limited to, salaries and benefits of teachers and para-educators; instructional supplies, textbooks, and technology; classroom interpreters; support services to students served in limited English proficiency programs above the services provided to pupils in regular programs; support services to instructional staff such as targeted professional development, curriculum development or academic student assessment; and support services provided to parents of limited English proficiency students and community series specific to limited English proficiency.

98.16(2) Inappropriate uses of categorical funding. Inappropriate uses of funding for the limited English proficiency program include, but are not limited to, indirect costs, operational or maintenance costs, capital expenditures other than equipment, student transportation, administrative costs, or any other expenditures not directly related to providing the limited English proficiency program beyond the scope of the regular classroom.

Data Collections Open to Districts

School Association Report – Due November 16

The School Association Report available on the [Iowa Education Portal](#) is due November 16, 2015. This report is a requirement of Iowa Code 279.38 and 279.38A. Instructions for the School Association Report are located on the certification review page. For services or revenues received that are not listed, use the blank lines on the screen to add additional information (for associations with multiple pages, these are found on the last page). If additional entries are not needed, click the "No" radio button for each blank line. Remember to "certify" the report after completing services information for each of the associations. The "Association Status" for each association must show as "N/A" or "Complete," and the information for the contact person and certifying official must be completed to receive the Certify button. Questions may be addressed to [Gary Schwartz](#), 515.281.4743.

School Budget Review Committee (SBRC) Application

The SBRC application is pre-populated from data reported by districts in the Student Reporting in Iowa (SRI) application and Certified Enrollment. The SBRC application is located in the [Iowa Education Portal](#). An A&A account will need to be established in order to access the application. The district will need to determine the amount it is requesting, if any, note that amount on the application, attach a copy of the minutes from the meeting when the board approved the request/s, and certify the form no later than December 1. The application form includes increased enrollment (257.31(5)a), open enrollment out not on the prior year's count (282.18(9)e), and costs for providing limited English proficient (LEP) programs beyond the five years of weightings (257.31(5)j). Completing the application and requesting an amount is entirely optional to the district. The instructions for the form are provided on the web [here](#). Contact [Carla Schimelfenig](#), 515.242.5612 with questions.

Teacher Leadership Compensation (TLC)

The Department has received numerous questions regarding coding TLC.

- The source/project code is 3387 for a first-year district receiving funding from the grant. Restrict unused funds at the end of the year.
- The source/project code is 3116 for a second-year (and above) district receiving funding through the Aid and Levy. The district should expend all Project 3378 funds first. Unused funds should be restricted at the end of the year.
- A district's allocation is based on the budget enrollment x per pupil amount of \$312.68 for FY16.
- Open enrollment in (Source 1323) and open enrollment out (Object 567) should include the TLC project code that applies to the district recording the transaction for the portion of tuition related to TLC, which is paid only if both districts have TLC.

If you have further questions, contact [Lora Rasey](#), 515.281.6719 on the program side; or [Denise Ragias](#), 515.281.4741, or [Janice Evans](#), 515.281.4740 for coding questions.

FY 2016 Commercial and Industrial State Replacement Payment and Property Taxes - Types and Coding

There is a tool on the bottom of the [Department of Management's homepage](#) to help districts estimate their FY 2016 Commercial and Industrial (C & I) state replacement payment. C & I is received from the counties twice a year with property taxes and is coded to source 3803. See the Department of Education's [Property Taxes – Types and Coding Document](#) for guidance on how to code the various types of taxes districts see on property tax orders received from the counties. Contact [Lisa Oakley](#), 515.281.8485 or [Janice Evans](#), 515.281.4740 for coding questions.

Upcoming Deadlines

School Associations Report Due	11-16-15
SBRC Application for Modified Supplemental Amount for Increased Enrollment, Open Enrollment Out, and Limited English Proficient Excess Costs, for Districts that want MSA	12-1-15
First Semester Parental Claim Forms for Nonpublic Transportation Reimbursement Due	12-1-15